

## Message Text

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ORIGIN EB-07

INFO OCT-01 AF-06 ARA-06 EA-06 EUR-12 NEA-10 IO-10 ISO-00

FEA-01 AGR-05 CEA-01 CIAE-00 COME-00 DODE-00 FRB-03

H-02 INR-07 INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-01

AID-05 CIEP-01 SS-15 STR-04 TAR-01 TRSE-00 USIA-06

PRS-01 SP-02 OMB-01 /131 R

DRAFTED BY EB/OT/TA:WBARRACLOUGH:CLJ

APPROVED BY EB/ITP:MWGLITMAN

STR:GFEKETEKUTY

COMMERCE:FMONTGOMERY

LABOR:DPARKER

USDA:GFRASER

TREASURY:JJOHNSON

----- 020642

R 020114Z JUL 75

FM SECSTATE WASHDC

TO USDEL MTN GENEVA

INFO USMISSION EC BRUSSELS

USMISSION GENEVA

USMISSION OECD PARIS

AMEMBASSY OTTAWA

AMEMBASSY CANBERRA

AMEMBASSY TOKYO

AMEMBASSY BRASILIA

AMEMBASSY MEXICO

AMEMBASSY CARACAS

AMEMBASSY BELGRADE

AMEMBASSY LAGOS

AMEMBASSY KUALA LUMPUR

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

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AMEMBASSY LUXEMBOURG

AMEMBASSY LONDON  
AMEMBASSY PARIS  
AMEMBASSY ROME

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E.O. 11652: N/A

TAGS: ETRD, GATT

SUBJECT: SUPPLY ACCESS IN THE MTN

REFS: (A) MTN GENEVA 4827(NOTAL)  
(B) MTN GENEVA 4911(NOTAL)

1. MARILYN BERGER ARTICLE IN JUNE 20 WASHINGTON POST AND JUNE 21 INTERNATIONAL HERALD TRIBUNE SAYING U.S. WOULD SUBMIT PROPOSALS ON SUPPLY ACCESS ISSUES TO MTN SHOULD BE VIEWED IN LIGHT PAST U.S. STATEMENTS ON RELATION OF THIS QUESTION TO MTN, INCLUDING U.S. STATEMENT AT FEBRUARY 11 TNC MEETING AND KANSAS CITY AND OECD SPEECHES OF SECRETARY KISSINGER. DISCUSSIONS ON THIS ISSUE HAVE ALSO BEEN UNDERWAY AT U.S. INITIATIVE IN OECD TRADE COMMITTEE SINCE LAST FALL AS WELL AS IN INFORMAL SEVEN PLUS SEVEN MEETINGS AT GENEVA.

2. FROM THESE IT SHOULD BE CLEAR THAT U.S. HAS CONSISTENT OVER PAST YEAR CONSIDERED ACCESS TO SUPPLIES AN IMPORTANT INTEGRAL COMPONENT OF MTN. AS SUCH IT CAN NOT BE DIVORCED OR ISOLATED FROM OTHER ISSUES IN THESE NEGOTIATIONS DIRECTED PRIMARILY AT IMPROVING MARKET ACCESS, INCLUDING EFFORTS TO DEAL WITH TARIFF ESCALATION. IN RESPONDING TO INQUIRIES REGARDING THE BERGER ARTICLE, YOU SHOULD DRAW ON OUR

PAST POSITIONS, AND NOTE IT IS U.S. VIEW THAT ALL OBSTACLES TO TRADE SHOULD BE SUBJECT TO NEGOTIATION WHETHER THEY ARE RESULT OF IMPORT OR EXPORT MEASURES. WE ARE STILL IN THE PROCESS OF REFINING OUR ANALYSIS OF THE SUPPLY ACCESS ISSUE AND, OF COURSE, CANNOT MAKE ANY SPECIFIED

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IFIC PROPOSALS IN THIS AREA INVOLVING U.S. TARIFFS UNTIL STATUTORILY REQUIRED DOMESTIC PROCEDURES ARE CONCLUDED. HOWEVER, NEITHER DO WE RULE THESE OUT.

3. YOU SHOULD INFORM GERMAN MTN DELEGATION THAT U.S. WOULD NOT REPEAT NOT SUPPORT A PROPOSAL AT THE JULY TNC MEETING FOR ESTABLISHMENT OF SEPARATE TNC GROUP ON SUPPLY AND EXPORT RESTRICTION ISSUES. SUPPLY ACCESS WAS DISCUSSED

GENERALLY WITH GUNDELACH DURING HIS WASHINGTON VISIT LAST WEEK, AND WE WERE LEFT WITH CLEAR IMPRESSION THAT EC COMMISSION LIKewise WOULD NOT SUPPORT A PROPOSAL ALONG LINES SUGGESTED BY THE GERMAN DELEGATION.

4. WE HAVE SEVERAL IMPORTANT PROBLEMS WITH THE GERMAN APPROACH. FIRST, IT WOULD ONLY INCREASE THE CONCERNS OF RAW MATERIAL EXPORTERS--INCLUDING CANADA AND AUSTRALIA --THAT THE INTENTION IS TO DEPRIVE THEM IN THE MTN OF THE PERCEIVED BARGAINING LEVERAGE OF THEIR SUPPLIER POSITIONS. IT IS HIGHLY UNLIKELY, THEREFORE, THAT A SEPARATE GROUP COULD BE ESTABLISHED AT THIS STAGE AND THE INITIATIVE TO DO SO WOULD ONLY HEIGHTEN SENSITIVITIES WITHOUT USEFUL RESULTS. SECOND, IT WOULD TEND TO REMOVE SUPPLY ACCESS/ EXPORT RESTRICTION MEASURES FROM OTHER ASPECTS OF THE NEGOTIATIONS, LIMITING THE POSSIBILITY OF RAISING THEM IN OTHER TNC GROUPS WHERE THEY SHOULD BE TREATED AS AN INTEGRAL PART OF THE BARGAINING PROCESS. THIRD, IT WOULD LIMIT OUR ABILITY TO DEMONSTRATE THROUGH DISCUSSION IN THE SEVERAL TNC GROUPS ON A RANGE OF SPECIFIC ISSUES THE INADEQUACY OF EXISTING RULES AND PROCEDURES GOVERNING EITHER AN EXCHANGE OF CONCESSIONS INVOLVING EXPORT MEASURES OR THE USE OF EXPORT MEASURES GENERALLY.

5. WE DO NOT EXCLUDE THE POSSIBILITY THAT AT SOME POINT A SEPARATE GROUP ON SUPPLY ACCESS COULD BE SET UP--PERHAPS IN THE CONTEXT OF REFORM OF THE TRADING SYSTEM--BUT WE ARE CONVINCED THAT IT WOULD BE INAPPROPRIATE AND COUNTER-PRODUCTIVE TO PRESS FOR SUCH A GROUP AT THIS STAGE.

6. SINCE THE BERGER ARTICLE MAY HAVE ATTRACTED ATTENTION OF HOST GOVERNMENTS AND IN VIEW APPROACHING TNC MEETING SCHEDULED FOR JULY 15, AT WHICH WE INTEND TO ADDRESS THE LIMITED OFFICIAL USE

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ISSUE FURTHER, INFO ADDRESSEES MAY DRAW ON ABOVE AS APPROPRIATE IN RESPONDING TO INQUIRIES. REQUEST YOU REPORT ANY REACTIONS. INGERSOLL

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** SUPPLIES, PROPOSALS (BID), COMMITTEES, EXPORT CONTROLS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 02 JUL 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** greeneet  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
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**Disposition History:** n/a  
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**Disposition Remarks:**  
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**Film Number:** D750228-1010  
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**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
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06 JUL 2006

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**Review Release Event:** n/a  
**Review Transfer Date:**  
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**Status:** NATIVE  
**Subject:** SUPPLY ACCESS IN THE MTN  
**TAGS:** ETRD, GATT  
**To:** MTN GENEVA  
**Type:** TE  
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